

CITY COUNCIL, CITY OF LODI  
CITY HALL COUNCIL CHAMBERS  
WEDNESDAY, JANUARY 4, 1989  
7:30 P.M.

ROLL CALL                    Present:        Council Members - Hinchman, Olson, Reid,  
   Snider and Pinkerton (Mayor)

                                 Absent:        Council Members - None

                                 Also Present: City Manager Peterson, Assistant City  
   Manager Glenn, Public Works Director Ronsko,  
   City Attorney McNatt, and City Clerk Reimche

INVOCATION                   The invocation was given by Pastor Loren Stacey, Church of  
   God, 7th Day.

PLEDGE OF  
ALLEGIANCE                   The Pledge of Allegiance was led by Mayor Pinkerton.

PRESENTATIONS              There were no awards, proclamations, or presentations  
   presented at this meeting.

CONSENT CALENDAR           In accordance with report and recommendation of the City  
   Manager, Council, on motion of Council Member Reid, Olson  
   second, approved the following items hereinafter set forth.

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CLAIMS CC-21(a)              Claims were approved in the amount of \$2,338,036.87.

MINUTES                      No minutes were presented for approval.

LEAGUE OF CALIFORNIA  
CITIES DUES INCREASE  
APPROVED                      The City Council was informed that the League of California  
   Cities' constitution and by-laws provide for a ratification  
   process for dues increase established by the Board of  
   Directors. By unanimous vote, the Board recommended a dues  
   increase of 4.7%. The action of the Board needs to be  
   confirmed by the League's fourteen regional divisions by  
   January 31, 1989. Failure to respond shall be considered a  
   ratification of the dues increase.

CC-7(i)                        The City of Lodi's dues will increase from \$4,984 to \$5,218  
   annually, an increase of \$234.

                                 The City Council approved the action of the Board of  
                                 Directors of the League of California Cities to increase  
                                 dues by 4.7%.

PLANS AND SPECIFICATIONS  
FOR CARNEGIE FORUM  
HARDSCAPE, 305 WEST  
PINE STREET  
APPROVED                      The City Council approved plans and specifications for the  
   Carnegie Forum Hardscape, 305 West Pine Street, and  
   authorized advertising for bids.

CC-12.1(c)                    This project includes concrete sidewalks with brick edges  
   matching the front of City Hall and the area between City  
   Hall and the Carnegie Forum. Landscaping will be done  
   under a separate contract.

Continued January 4, 1989

RESOLUTION ADOPTED  
 APPROVING APPLICATION  
 FOR FUNDING FOR PARK  
 IMPROVEMENTS AT LODI  
 LAKE, 1301 WEST TURNER  
 ROAD, UNDER THE PER  
 CAPITA GRANT PROGRAM  
 OF THE CALIFORNIA  
 WILDLIFE, COASTAL AND  
 PARK LAND CONSERVATION  
 BOND ACT OF 1988

RES. NO. 89-01      The City Council adopted Resolution No. 89-01 approving  
 an application for grant funds under the Per Capita Grant  
 CC-27(c)            Program of the California Wildlife, Coastal and Park Land  
 CC-175              Conservation Bond Act of 1988.

The City Council was informed that under directions of the Lodi Parks and Recreation Commission and staff, Lodi Lake has been designated for development under the new Master Plan. Described below are three projects that the Parks and Recreation Department feels have merit, meet a demonstrated need, and fulfill the requirements for grant funds. The total project estimate is \$167,000 and the grant funds available are \$145,000. The additional \$22,000 required will come from the Lodi Lake Enterprise Fund (10.0-650.0).

Project I - Hughes Beach Group Picnic Facilities

This project will increase the size of the existing group facilities to accommodate 100 persons, provide tables, concrete pad, shade structure, and sewer line.

Project Estimate = \$22,000

Project II - North Bend Group Picnic Facilities

This project provides for a new 50-person group picnic facility as shown on the Lodi Lake Master Plan. This facility will also have a shade structure, concrete pad, tables, group barbecue, and water/sewer services.

Project Estimate = \$22,000

Project III - Expansion of Youth Area Group Picnic Facilities

This project will expand the existing 75-person structure to a 350-person facility by adding a series of satellite shade structures around the existing structure and will include concrete pads, tables, barbecues, and water/sewer services.

Project Estimate = \$103,000

Plans & Specifications = 10,000  
 Engineering & Contingencies = 10,000

Total Estimate = \$167,000

Funding Sources

Grant Allocation	\$145,000
Lodi Lake Enterprise Fund (10.0-650.0)	<u>22,000</u>
	\$167,000

Continued January 4, 1989

BIDS REJECTED FOR  
PURCHASE OF DUMP  
TRUCKCC-12(b)  
CC-20  
CC-47

The City Council rejected all bids for the purchase of a dump truck for the Public Works Street Division.

The City Council was advised that this project consists of replacing a 1976 Ford, 23,000 GVWR dump truck equipped with a mobile radio and emulsion tank used by the Street Division for daily street maintenance.

Specifications for this project were approved on November 2, 1988. Bids were opened on November 16, 1988 and the following two bids were received:

<u>Bidder</u>	<u>Location</u>	<u>Bid</u>
F.B. Hart Company	Sacramento	\$44,202.00
Interstate International, Inc.	Stockton	\$47,304.89

Both bidders failed to meet the City's required specifications for a wheel base of 140-150 inches. A longer wheel base increases the turning radius of the vehicle. Because a small turning radius is critical for the Street Division's operations, but was not specified, it was recommended that the City Council reject all bids.

REVISED SPECIFICATIONS  
FOR DUMP TRUCK  
APPROVED

CC-12.1(b)

The City Council approved revised specifications for the purchase of a dump truck and authorized re-advertising for bids.

The City Council was advised that this project consists of replacing a 1976 Ford, 23,000 GVWR dump truck equipped with a mobile radio and emulsion tank used by the Street Division for daily street maintenance.

Specifications for this project were approved on November 2, 1988. Bids were opened on November 16, 1988 and two bids were received. Both bidders failed to meet the City's requirements.

Revised specifications include a longer wheel base and a maximum turning radius requirement.

PURCHASE AGREEMENT  
FOR 232 SOUTH  
HUTCHINS STREET  
APPROVED

CC-27(a)

The City Council approved the purchase agreement for 232 South Hutchins Street and authorized the City Manager and City Clerk to execute the agreement.

The City Council was informed that in June, the City Council authorized the Public Works Department to proceed with the acquisition of right-of-way at 228 and 232 South Hutchins Street. Agreement has been reached with Walter F. and Charlene Dawson, the property owners, and the City will pay \$5,200 for a 10-foot strip along the front of their property.

SPECIFICATIONS FOR  
PURCHASE OF 19.5  
TONS OF SLOW RELEASE  
TURF FERTILIZER  
APPROVED

CC-12.1(c)

The City Council approved the specifications for the purchase of 19.5 tons of slow-release turf fertilizer, and authorized the advertisement for bids thereon.

Continued January 4, 1989

Each year the Parks Department purchases fertilizer for use on the City's 208 acres of parks. It is the Department's intent to buy slow release commercial fertilizer which provides recommended amounts of required nutrients and maximizes coverage per ton, yet releases nitrogen over an extended period to reduce the need for re-applications.

The formula required in the specifications is designed to fulfill those needs at a lower cost per acre per year than water soluble fertilizers which require more frequent application.

The estimated cost of this purchase is \$12,000, with delivery requested for March 15, 1989.

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#### COMMENTS BY CITY COUNCIL MEMBERS

The following comments were received under the "Comments by City Council Members" segment of the agenda:

#### HAPPY NEW YEAR WISHES EXTENDED TO COMMUNITY

Council Member Olson wished the community a very happy New Year.

#### PRECIOUS WATER INSERVICE PROGRAM APPLAUDED

Council Member Hinchman congratulated staff on its precious water inservice program.

#### FUND RAISER TO BE HELD FOR NIKKI ROSTOMILY

Mayor Pro Tempore Snider announced that a benefit fund-raiser will be held at Chaps Restaurant on January 21, 1989 for Nikki Rostomily who recently underwent a liver transplant.

#### COUNCIL REQUESTED TO CONSIDER POLICY TO RECOGNIZE GREAT AMERICANS IN U. S. HISTORY

Mayor Pro Tempore Snider suggested that an agenda item be included on a future agenda to discuss the City's recognizing certain special days during the year and the issue of what the City Council's position should be in recognizing great Americans in U. S. History.

CC-6  
CC-37

#### HAPPY BIRTHDAY WISHES EXTENDED TO PUBLIC WORKS DIRECTOR RONSKO

Mayor Pinkerton extended best wishes to Public Works Director Ronsko on his 50th birthday.

#### COMMENTS BY THE PUBLIC ON NON AGENDA ITEMS

There were no persons wishing to speak under the "Comments by the public on non-agenda items" segment of the agenda:

#### PUBLIC HEARINGS

Notice thereof having been published according to law, an affidavit of which publication is on file in the office of the City Clerk, Mayor Pinkerton called for the Public Hearing to consider adoption of a resolution setting and establishing rates for water service provided by the City of Lodi as required by California Government Code Section 5434.5.

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AMENDED WATER RATES  
ADOPTED

RES. NO. 89-02

CC-6  
CC-51(a)  
CC-56  
CC-183(e)

Following a brief introduction of the matter by City Manager Peterson, Assistant City Manager Glenn advised the City Council that dating back to the Budget Message in the 1988-89 Operating Budget document promulgated last May, we have been periodically discussing the need to adjust the City's water rate schedule. In fact, this matter has been informally discussed by the City Council and staff for the last two years. As the Council is aware, the water rate schedule for all residential units as well as some commercial and industrial uses is a flat rate, regardless of water usage. The current residential rate is \$6.00 per month. This rate was established in 1976, and represented a 50% increase from the then-existing rate of \$4.00. The 1976 adjustment also increased all other rates in the schedule by a like percentage amount (50%), including metered commercial and industrial accounts. The last increase prior to that was in 1965 when the rate was increased 100%, from \$2.00 to \$4.00.

The present schedule is rife with inequities. The flat rate charge in the residential community is applied equally to the studio apartment, the one-bedroom alley house and the five-bedroom house with large, landscaped grounds. One aspect of the current schedule is that the per-apartment unit rate is less if the landlord pays the bill than if the tenant pays. The current schedule also includes a declining block rate for metered customers. This concept translates to "the more you use, the less it costs." This schedule, which does nothing to encourage prudent water usage, is 18 cents per one hundred cubic feet (100 cu/ft) of water used for the first 50,000 cubic feet; 15 cents per 100 cu/ft for usage between 50,000 and 250,000 cubic feet; and 12 cents per 100 cu/ft for amounts in excess of 250,000 cubic feet. Further contributing to the list of inequities are the rates charged to unmetered commercial and industrial accounts. In some instances the rate is based on the size of the water service to the property. In others, the front footage of the building is the determining factor. In still others, the rate appears to have been the end product of long-ago negotiations, the logic of which is beyond recall.

The City is currently producing and delivering water at a cost in some instances higher than is being charged metered customers. In 1987, the City produced 66,742,460 cubic feet of water at a cost of \$1,143,695. This computes to a cost of 17 cents per 100 cubic feet. One hundred cubic feet of water is equal to approximately 750 gallons. With block rates ranging from 18 cents down to 12 cents per 100 cu/ft, it is obvious that a comprehensive water rate schedule adjustment is long overdue.

In 1989, the cost to deliver water, including capital costs, will be 24 cents per 100 cu/ft. This includes transfers to the General Fund for both support costs such as billing, postage, and miscellaneous staff time, and Water Fund capital expenditures. In addition, there have traditionally been contributions annually from the Water Utility Fund to the General Fund.

Obviously, the most accurate and fairest method of charging for water usage is to meter all services. However, the cost of purchasing, installing, maintaining and reading meters throughout the residential community is

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prohibitive. The City is making progress toward this end in the commercial and industrial communities. The goal is to meter all such customers by December 31, 1990.

The recommended Water Utility budget for fiscal 1989-90 will approximate \$2,330,000. This amount will be necessary to fund the total cost of the day-to-day maintenance and operations of the water system; provide for the accomplishment of the on-going annual minor capital improvement work; continue an appropriate amount of transfers to the General Fund; and provide sufficient revenue (\$600,000) to fund the major Water Capital Improvement Program on a pay-as-you-go basis. However, this does not include an undetermined amount for additional manpower. Adding contributions to the General Fund as has been done in the past, the total cost will be 27 cents per 100 cu/ft. After extensive review and analysis, staff now feels confident that this program can be accomplished on a pay-as-you-go basis over a 10-year period (rather than the five-year period envisioned with long-term financing) with an interfund loan of \$1,000,000 from the Electric Utility Outlay Reserve. This loan will be repaid with interest over a five-year period. This will eliminate the need to borrow, and will result in a net savings to the City of approximately \$6.5 million.

Presented below are two options for water rate adjustments presented by Staff.. The first is the continuation of the flat, across-the-board percentage adjustments enacted in the past. The second is the adoption of a water rate schedule which more closely reflects actual water usage.

#### OPTION NO. 1

Water rate adjustments have historically been in flat, across-the-board percentage amounts. This option, applied uniformly on a flat percentage increase basis, can be used to generate the funds necessary to support water system operations in the coming year. The residential flat rate, as well as the metered rate for certain commercial and industrial customers, would be increased by 52%. Additionally, the declining block rate schedule would remain in effect, and it would be increased by a like percentage. This schedule of adjustments would generate approximately \$2,455,000, based on anticipated 1987-88 revenues, about 5.4% above the minimum amount needed to fund the water system operation. The additional \$125,000 would be available to fund additional manpower and to assist in funding capital improvement projects throughout the City.

#### OPTION NO. 2

During the Council's review of water rate schedules and system improvement financing at the "Shirtsleeve" session of September 20, 1988, comments by some Councilmembers led staff to conclude that it would perhaps be of value to develop an alternate approach to these adjustments, while still maintaining flat rates for all residential units. Staff developed an alternate approach involving a series of flat rates which increase with the size of the house and apartment unit. This approach employs the number of bedrooms as the determining criteria for rates as we have utilized for years in the sanitary sewer rate schedule. This alternate was reviewed in concept with the City Council at its regular "Shirtsleeve" session of October 4, 1988, and again at the "Shirtsleeve" session of November 15, 1988, and is presented as Option No. 2. This rate

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schedule will also generate approximately \$2,350,000 as with Option No. 1. It uses as a base, from which all other flat rates have been calculated, the existing \$6.00 flat rate for all residential units. That is, the existing across-the-board flat rate remains in effect for the smallest residential unit, the one-bedroom apartment. All other flat rate charges have been developed from that point.

This option is an alternate that represents a departure from the basis of water rate schedules in effect in the City of Lodi for at least the last 30-40 years. It would put in place a rate schedule for residential units, both houses and apartments, based on the number of bedrooms in each. This approach, while certainly less than perfect, appears to be far more equitable than that presently in place. Some assumptions were made in the development of this alternative. These assumptions are:

- . the number of bedrooms is a valid indicator of water usage
- . each bedroom over one will result in an additional water usage of 20% per bedroom, i.e. a two-bedroom house will use 20% more water than a one-bedroom house
- . like dwelling units should be charged the same rate, i.e. all two-bedroom houses should be on the same rate schedule; all two-bedroom apartments should be charged the same in accordance with the apartment rate schedule
- . a single-family residence will use more water than a like-size apartment, i.e. residents of a two-bedroom house will use more water than residents of a two-bedroom apartment.

The staff believes these assumptions are defensible. The City already has over the years assembled data on the number of bedrooms in each and every residence (single family and apartments). This information has been in the City's utility billing files for decades since this is the measure utilized in applying sanitary sewer rates for residential units. While this approach may not be a 100% reliable indicator, it does relate to the size of the residential unit, and the potential for water usage. One source of information in developing the Option No. 2 water rate schedule is the City of Manteca. That city meters residential uses and has determined that on the average, occupants of a two-bedroom house use 22% less water than occupants of a three-bedroom house. Thus the 20% differential set forth in the Option No. 2 schedule appears to be valid.

With regard to apartments, there is no rationale to water charges being less if the landlord pays than if the renter pays. While there is no substantiation of the assumption that a house uses more water than an apartment each with the same number of bedrooms; on the average it is a sound position to state if for no other reason than the amount of landscaping usually associated with each. At the present time, duplexes and triplexes are treated the same as apartments. That is, if the tenant pays the bill, the monthly flat rate is \$6.00, the same as a single family residence. If the landlord pays the bill, the monthly flat rate is \$4.20. The rationale here is that the difference is the result of a vacancy factor. The tenant pays only when he/she occupies the rental unit. The landlord pays whether or not the unit is occupied. However, since the

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vacancy factor in the City of Lodi is virtually zero, it is recommended that apartment units in this option be billed the same flat rate amount in accordance with the schedule regardless of who pays. It is also recommended that duplexes and triplexes be billed the same as single family residential units. These residences are not unlike zero-lot line houses except that for the most part zero-lot line houses are owner-occupied and duplexes and triplexes are occupied by renters. In most cases the amount of landscaping is not significantly different area-wise. To accomplish this conversion will require considerable research by the Finance Department. Following City Council approval of this policy change, and after the implementation of the new schedule, staff will undertake this major conversion effort.

Until all nonresidential customers are metered, there exists no equitable schedule on which to base these rates. In the interim, it is recommended that an across-the-board adjustment be applied which is equal to the percentage increase (69%) presented in Option No. 2 for the three-bedroom house, the largest single category of water customers. The number of three-bedroom houses in the City is 6,359. This is 56% of the total number of single family residential units. The combination of three-bedroom houses and two-bedroom houses represent 88% of the single family residence housing inventory. The combined number of five, six and seven-bedroom houses is approximately 1/2% of the total number of houses in the City.

The actual numerical breakdown for both houses and apartments is:

Number of Bedrooms	Number of Houses	Number of Apartments
1	490	2,386
2	3,538	3,202
3	6,359	697
4	795	
5	72	
6	4	
7	1	

The metered rate of 27 cents per 100 cu/ft presented in Option No. 2 will have a substantial impact on large water users such as General Mills and Pacific Coast Producers (PCP). Using the twelve-month period of October, 1987 to September, 1988 as a basis for comparison, and applying a flat metered rate of 27 cents per 100 cu/ft, the new rates will result in an approximate 100% increase. In the case of PCP, the increase will be approximately 107%. The reason for these significant percentage increases is that as large water users, industries such as these have a substantial amount of water charges billed at the 12-cent-per-100 cu/ft rate. It is interesting to note that the American Water Works Association Journal (September, 1988) cites that the average charge in the western region of the country for 22,400 gallons of water per month is 62 cents per 100 cu/ft. Nationwide, the average charge is 87 cents per 100 cu/ft. The average metered rate per 100 cu/ft rate for valley cities is 38 cents. Some cities impose a minimum rate or service charge in addition to the metered figure. Obviously, the 27-cent rate discussed herein for City of Lodi customers is substantially below these figures.



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Staff conducted a survey of 16 Central Valley cities to determine prevailing residential monthly water rates. In conducting this survey the constants used were water usage for a three-bedroom house, on a 60' X 100' lot, using 18,000 gallons per month, (determined to be average usage) with a one-inch service connection. The average residential monthly bill in this survey is \$12.26. The rate for residential units in the City of Lodi in the same category in Option No. 2 is \$10.08, 21.6% below the present average.

OPTION NO. 1

## WATER RATE SCHEDULE

Effective March 1, 1989

## =====

Residential

Flat rate \$9.12  
(single family units and apartment units  
paid by tenant)

Flat rate \$6.38  
(apartment units paid by landlord)

Metered

0-50,000 cubic feet 27 cents per 100 cubic feet

50,000-250,000 cubic feet 23 cents per 100 cubic feet

over 250,000 cubic feet 18 cents per 100 cubic feet

Unmetered Commercial and Industrial

Present rate + 52%

OPTION NO. 2

## WATER RATE SCHEDULE

EFFECTIVE MARCH 1, 1989

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Residential

<u>Number of bedrooms</u>	<u>House</u>	<u>Apartment</u>
1	\$ 7.00	\$ 6.00
2	8.40	7.20
3	10.08	8.64
4	12.10	+ 20% for each additional bedroom
5	14.52	
6	17.42	
7	20.90	

Metered

27 cents per 100 cubic feet

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Unmetered Commercial and Industrial

Present rates + 68%

WATER CONNECTION AND SERVICE CHARGE SURVEY  
OCTOBER 1988

City	Water Connection Fee	Monthly Water Service Charge
Chico	CAL Water Company no charge if line available	\$16.60 *
Vacaville	\$3,725.00	\$13.26 #
Roseville	2,878.10	9.50 +
Manteca	2,222.00	15.19 #
Sacramento	2,146.00	7.61 +
Fairfield	1,837.00	25.99 #
Tracy	1,500.00	19.67 #
Merced	1,042.00	9.69 *
Clovis	905.94	8.20 #
Woodland	886.70	6.75 *
Redding	625.00	12.42 #
Yuba City	600.00	12.77 #
Turlock	454.90	9.00 +
Stockton	359.00	14.98 #
Davis	250.00	8.25 *
Modesto	150.00	6.20 +
Lodi	- 0 -	\$ 6.00 +
Average (excluding Lodi)	\$1,223.85	\$12.26
Median	\$ 896.32	\$11.06
Lodi-amount below average	\$1,223.85	\$ 6.26 (51%)

Assumptions: 3-bedroom house; lot size 60' x 100'; gross acreage 0.18; usage  
18,000 g/mo; 1" service line; fees do not include cost of lateral

+ - Flat monthly rate	# - Rate based on meter reading	* - Rate based on lot size
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The following persons spoke in opposition to the proposed water rate schedule adjustments:

- a) Pastor Paul Donovan, 1330 West Oak Street, Lodi
- b) Wilfred Schulte, 408 First Street, Lodi

There being no other persons wishing to speak on the matter, the public portion of the hearing was closed.

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Following discussion with questions being posed to staff, the City Council on motion of Council Member Hinchman, Reid second, adopted Resolution No. 89-02 - A Resolution Adopted Pursuant to Section 13.08.010 of the City Code, Providing For And Establishing Rates to be Charged for Water Service (designated as option 2 in the staff presentation). The rates established by this resolution shall be applied to all billings made for water furnished on or after March 1, 1989.

PLANNING  
COMMISSION

City Manager Peterson presented the following Planning Commission Report of the Planning Commission Meeting of December 27, 1988:

PUBLIC HEARING SET  
REGARDING AMENDING  
USE ELEMENT,  
REZONING AND  
CERTIFYING THE  
NEGATIVE DECLARATION  
CONCERNING 2500 WEST  
TURNER ROAD

CC-35

FOR ACTION OF THE CITY COUNCIL

1. Recommended approval of the request of Marc Siegal, c/o First Fidelity Realty Group to amend the Land Use LAND Element of the Lodi General Plan by redesignating the parcel at 2500 West Turner Road (APN 029-030-39, R.C.A. Global) from Office-Institutional to Commercial.
2. Recommended approval of the request of Marc Siegal, c/o First Fidelity Realty Group to rezone the parcel at 2500 West Turner Road (APN 029-030-39, R.C.A. Global) from R-C-P, Residential-Commercial-Professional to C-S, Commercial Shopping.
3. Recommended certifying the filing of a Negative Declaration by the Community Development Director as adequate environmental documentation on the above projects.

On motion of Council Member Reid, Hinchman second, the heretofore listed items were set for Public Hearing at the regular Council Meeting of January 18, 1989.

COMMUNICATIONS  
(CITY CLERK)

CLAIMS

CC-4(c)

On motion of Council Member Hinchman, Reid second, the City Council denied the following Claims and referred it back to the City's Contract Administrator, ADJUSTCO:

a) Lillian B. Shipley, DOL 8/29/88

ABC LICENSE  
APPLICATION

CC-7(f)

The City Clerk presented the following Alcoholic Beverage License Application that had been received:

Raymond Fong, Wing S. Fong, Judy Hom, executor for the Estate of Wing H. Hom, Lodi Supermarket, 1411 South Cherokee Lane, Lodi, CA 95240, Off Sale Beer and Wine

PUC APPLICATION

CC-7(f)

The City Clerk presented the following PUC application that had been received:

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Application of Pacific Gas and Electric Company for authority, among other things, to increase its rates and charges for electric and gas service/

RESIGNATION FROM  
LODI PARKS AND RECREATION  
COMMISSION

CC-2(h) Following receipt of the letter of resignation from David J. Reese from the Parks and Recreation Commission, the City Council directed the City Clerk to forward a letter of sincere appreciation to Mr. Reese for his outstanding commitment to this community in the 32 years he served on this commission.

ELVERA MELBY  
REAPPOINTED TO LODI  
PARKS AND RECREATION  
COMMISSION

CC-2(h) On motion of Council Member Reid, Hinchman second, the City Council concurred with the reappointment by Mayor Pinkerton of Elvera Melby to the Lodi Parks and Recreation Commission to a four year term expiring December 31, 1992.

CITY CLERK DIRECTED  
TO POST FOR VACANCIES  
ON VARIOUS BOARDS  
AND COMMISSIONS

On motion of Council Member Hinchman, Olson second, the City Council directed the City Clerk to post for the following vacancies:

CC-2(h) PARKS AND RECREATION COMMISSION FOUR YEAR TERM  
(Term Expiring)

David J. Reese  
(resignation submitted) December 31, 1990

CC-2(f) PERSONNEL BOARD OF REVIEW FOUR YEAR TERM

Lloyd Kuehne Interim Appointment  
Dr. Peter Hetzner Interim Appointment

REGULAR CALENDAR

ADJUSTMENT TO REFUSE  
RATE CHARGES TO FUND  
STATE-IMPOSED SUR-  
CHARGE FOR ULTIMATE  
LANDFILL CLOSURES  
APPROVED

URGENCY ORDINANCE  
NO. 1443 ADOPTED

CC-6  
CC-54  
CC-56

City Manager Peterson apprised the City Council that the franchise agreement between the City of Lodi and Sanitary City Disposal Co., Inc., for waste disposal services in the City provides in part that "the contractor will be entitled to a rate adjustment immediately based on any dump fee adjustments."

The County of San Joaquin, responding to a State-mandated \$1.00 per ton surcharge to fund the Statewide landfill closure program, took action to levy this surcharge at the Harney Lane Sanitary Landfill following a public hearing on this matter held in early December. Based on calculations the County developed, the County concludes that this translates to a surcharge of approximately 12 cents per can in the North County area. David Vaccarezza, president of Sanitary City Disposal Co., Inc., has requested that this County-developed figure of 12 cents be applied in the City of Lodi. In accordance with the terms and conditions of the recently-adopted franchise agreement, as noted above,

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the contract hauler is entitled to be immediately reimbursed for this expense. It is only fair that the company be so reimbursed and made whole. On the other hand it is not appropriate that the company make a profit on this State-mandated surcharge. Thus the basics are: what is the appropriate surcharge adjustment; how should it be calculated; and how should it be monitored.

Staff met with Mr. Vaccarezza and other representatives of Sanitary City Disposal Co., Inc. earlier this week to discuss in depth how best to arrive at an equitable adjustment figure. Whatever number is arrived at, the action will be by urgency ordinance so that it will be effective with the first group of utility bills to be prepared and mailed in January, 1989.

Ordinance options were presented for the City Council's review as follows:

- . set the 12 cent rate (1.7%) and establish a fund from which the company would be reimbursed for charges incurred for total tonnage (residential and commercial) collected in the City and taken to the transfer station based on weight figures supplied by the company
- . require the company to weigh all trucks at the transfer station to determine actual amounts of residential and commercial refuse for the purpose of arriving at per can and per bin surcharge rates
- . set the 12-cent per can rate developed by the County (an equivalent adjustment would be applied to commercial customers)
- . set the 12-cent per can rate with the knowledge that any portion of this amount not consumed by the surcharge will be used to assist the company in the conduct of a comprehensive City-wide, curb-side recycling program being contemplated by the company.

Of the options set forth above, the first and second come most close to realizing a dollar-for-dollar reimbursement for actual costs incurred by the company as a result of the imposition of this surcharge. They are the options most consistent with the terms and conditions of the franchise agreement. Mr. Vaccarezza acknowledges that there is the potential for the 12-cent rate to generate revenue in excess of the County gate fee billings resulting from the imposition of the surcharge. His response is that any additional revenue realized by the company will be utilized to partially offset the cost of the curb-side recovery program noted above.

With the Board of Supervisors' action in place, the 12-cent per can rate and a like adjustment to the commercial rate will be applied to all refuse customers in the north San Joaquin County area (except the City of Lodi) effective January 1, 1989. This is the area served by the Harney Lane Sanitary Landfill.

A lengthy discussion followed with questions being posed by the City Council to staff regarding the matter.

On motion of Council Member Hinchman, Reid second, the City Council adopted Urgency Ordinance No. 1443 hereinafter set forth in its entirety adjusting refuse rate charges to fund the State-imposed surcharge for ultimate landfill closures (Option 1 in the staff report).

Continued January 4, 1989

## ORDINANCE NO. 1443

AN UNCODIFIED URGENCY ORDINANCE OF THE LODI CITY COUNCIL  
ESTABLISHING A SURCHARGE ON REFUSE RATES  
TO FUND A STATE-MANDATED PROGRAM

BE IT ORDAINED BY THE LODI CITY COUNCIL AS FOLLOWS:

SECTION 1.

WHEREAS, effective January 1, 1989, a surcharge of one dollar (\$1.00) per ton on refuse placed in sanitary landfills has been authorized and required by State statute (Government Code §66796.22 et seq.); and

WHEREAS, the Harney Lane Sanitary Landfill, owned by the County of San Joaquin is the location utilized by Sanitary City Disposal Company, Inc., the City's refuse collection Franchisee, for disposal of refuse collection in the City of Lodi; and

WHEREAS, under the agreement between the City of Lodi and Sanitary City Disposal Company, Inc. for refuse collection, such increases in direct costs to Sanitary City Disposal Company, Inc. are subject to adjustment of rates by the City of Lodi to compensate the Franchisee;

NOW, THEREFORE, BE IT ORDAINED BY THE LODI CITY COUNCIL pursuant to Health and Safety Code §5471 as follows:

A surcharge of 1.7% of present refuse collection rates shall be imposed on all residential and commercial refuse collection accounts in the City to fund the State-mandated landfill closure program. These funds shall be placed and retained by the City in a separate revenue account, and paid to Franchisee on a basis of one dollar (\$1.00) per ton of residential and commercial refuse collected, as established by Franchisee's records.

SECTION 2. All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

SECTION 3. This is an urgency ordinance based on health, safety and welfare considerations, implementing a State-mandated program, and shall be effective on all billings by the City of Lodi, on or after January 1, 1989.

SECTION 4. This ordinance shall be published one time in the "Lodi News Sentinel", a daily newspaper of general circulation printed and published in the City of Lodi and shall be in force and take effect immediately.

Approved this 4th day of January, 1989

\_\_\_\_\_  
JAMES W. PINKERTON, JR.  
MAYOR

Attest:

ALICE M. REIMCHE  
City Clerk

State of California  
County of San Joaquin, ss.

Continued January 4, 1989

I, Alice M. Reimche, City Clerk of the City of Lodi, do hereby certify that Ordinance No. 1443 was adopted as an urgency ordinance at a regular meeting of the City Council of the City of Lodi held January 4, 1989 and was thereafter passed, adopted and ordered to print by the following vote:

Ayes: Council Members - Hinchman, Olson, Reid,  
Snider and Pinkerton (Mayor)

Noes: Council Members - None

Absent: Council Members - None

Abstain: Council Members - None

I further certify that Ordinance No. 1443 was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.

ALICE M. REIMCHE  
City Clerk

Approved as to Form

Bob McNatt  
City Attorney

The motion carried by a unanimous vote of the City Council.

A PRESENTATION  
ON RECYCLING  
PROGRAM

A presentation was made by Dave Vaccarezza, California Waste Removal System regarding the recycling program being implemented by their company.

RECESS

Mayor Pinkerton declared a 5-minute recess and the City Council reconvened at approximately 8:55 p.m.

RESOLUTION ADOPTED  
AMENDING THE TRAFFIC  
RESOLUTION TO APPROVE  
SPEED LIMITS ON ALMOND  
DRIVE, CRESCENT AVENUE,  
HAM LANE, HARNEY LANE,  
STOCKTON STREET, AND  
TURNER ROAD

RES. NO. 89-03

CC-45(a)  
CC-48(a)

Following introduction of the matter by City Manager Peterson, Public Works Director Ronsko advised the City Council that, based on Vehicle Code Section 40802, in order to use radar enforcement, it is necessary to conduct engineering and traffic studies every five years on "non local" streets. "Non local" streets are the collector and arterial streets shown on the Federal Aid System Maps. The engineering studies include measurement of prevailing speeds by a radar survey and review of accident data. The Public Works staff has recently updated the engineering studies for eight streets for the reasons noted below. The recommendations have been reviewed with the Police Department.

STREET	LIMITS	SPEED LIMIT	
		PROPOSED	REASON FOR STUDY/COMMENTS
Almond Drive	W. City Limit - Cherokee	30	New FAU Route ("non local" street)

Continued January 4, 1989

Crescent Avenue	Kettleman - Lodi	35	New FAU Route ("non local" street); previous studies indicated 35 mph is appropriate
Ham Lane	Century - Vine	40	Segment not radar enforceable; 1986 survey not approved by Council
Harney Lane	WID - Stockton	45	Resurvey required per Vehicle Code Section 40802(b) - 5 years; Maggio Industrial Park Annexation
Mills Avenue	Century - Kettleman	35	New FAU Route ("non local" street)
Stockton Street	Old City Limit - Harney	45	Maggio Industrial Park Annexation
Tokay Street	Lower Sacramento - Ham	35	New FAU Route ("non local" street); Apple Orchard Subdivision street improvements
Turner Road	West City Limits-Stockton	40	Traffic signals installed at Lower Sacramento and Church; street improvements, Lower Sacramento to Mills. Turner east of Ham is presently not radar enforceable.
	Stockton-East City Limit	45	

Staff requested that Council approve the speed limits indicated and amend the Traffic Resolution which contains all the City's speed zones. If Council does not approve the recommended speed limits, the street will not be radar enforceable. Based on conversations with traffic enforcement officers, it is preferable to have a higher limit that is enforceable than an arbitrary lower limit that cannot be enforced.

Each street was discussed at length and voted upon separately (Resolution No. 89-03).

<u>STREET</u>	<u>LIMITS</u>	<u>PROPOSED</u>	<u>REASON FOR STUDY/COMMENTS</u>
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Almond Drive	W. City Limit - Cherokee	30	New FAU Route ("non local" street)
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On motion of Mayor Pro Tempore Snider, Olson second, the City Council adopted the heretofore listed speed limit by the following vote:

Ayes: Council Members - Olson, Reid, Snider, and Pinkerton (Mayor)

Noes: Council Members - Hinchman

Absent: Council Members - None

Crescent Avenue	Kettleman - Lodi	35	New FAU Route ("non local" street); previous studies indicated 35 mph is appropriate
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Continued January 4, 1989

On motion of Council Member Olson, Snider second, the City Council adopted the heretofore listed speed limit by the following vote:

Ayes: Council Members - Olson, Snider, and  
Pinkerton (Mayor)

Noes: Council Members - Hinchman and Reid

Absent: Council Members - None

Ham Lane	Century - Vine	40	Segment not radar enforceable; 1986 survey not approved by Council
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On motion of Council Member Snider, Olson second, the City Council approved the heretofore listed speed limit by the following vote:

Ayes: Council Members - Olson, Reid, Snider, and  
Pinkerton (Mayor)

Noes: Council Members - Hinchman

Absent: Council Members - None

Harney Lane	WID - Stockton	45	Resurvey required per Vehicle Code Section 40802(b) - 5 years; Maggio Industrial Park Annexation
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On motion of Council Member Hinchman, Reid second, the City Council approved the heretofore listed speed limit by the following vote:

Ayes: Council Members - Hinchman, Olson, Reid, Snider and  
Pinkerton (Mayor)

Noes: Council Members - None

Absent: Council Members - None

Mills Avenue	Century - Kettleman	35	New FAU Route ("non local" street)
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On motion of Council Member Hinchman, Reid second, the City Council voted not to change the speed limit on Mills Avenue, Century - Kettleman by the following vote:

Ayes: Council Members - Hinchman, Olson, Reid, and  
Pinkerton (Mayor)

Noes: Council Members - Snider

Noes: Council Members - None

Stockton Street	Old City Limit - Harney	45	Maggio Industrial Park Annexation
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On motion of Council Member Hinchman, Olson second, the City Council approved the heretofore listed speed limit by the following vote:

Continued January 4, 1989

Ayes: Council Members - Hinchman, Olson, Reid, Snider, and Pinkerton (Mayor)

Noes: Council Members - None

Absent: Council Members - None

Tokay Street	Lower Sacramento - Ham	35	New FAU Route ("non local" street); Apple Orchard Subdivision street improvements
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On motion of Mayor Pro Tempore Snider, Hinchman second, the City Council determined to postpone any action concerning the speed limit on Tokay Street, Lower Sacramento - Ham for six months. The motion carried by unanimous vote of the City Council.

Turner Road	West City Limits - Stockton 40 Stockton - East City Limit 45	Traffic signals installed at Lower Sacramento and Church; street improvements, Lower Sacramento to Mills. Turner east of Ham is presently not radar enforceable.
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A motion by Council Member Reid, Hinchman second not to change the speed limits on Turner Road as set forth above failed to pass by the following vote:

Ayes: Council Member - Reid and Hinchman

Noes: Council Members Olson, Snider, and Pinkerton (Mayor)

On motion of Council Member Olson, Snider second, the City Council approved the speed limit heretofore set forth by the following vote:

Ayes: Council Members - Olson, Snider, and Pinkerton (Mayor)

Noes: Council Members - Hinchman and Reid

Absent: Council Members - None

AWARD CONTRACT FOR  
INSTALLATION OF  
MECHANICAL EQUIPMENT  
AND NEW ROOF ON  
CAFETERIA BUILDING  
AT HUTCHINS STREET  
SQUARE, 600 WEST OAK  
STREET

RES. NO. 89-04

CC-12(a)

The City Council was apprised that this project consists of re-roofing the cafeteria building with a single-ply roof membrane system, locating and tying in two 15-ton air conditioning units salvaged from the demolished Hale Park building, and providing electrical requirements to service those units.

Bids were opened for this project on Tuesday, December 20, 1988, and three bids were received:

Diede Construction	\$83,997.00
Don Hughes Construction	\$93,373.00
Modern Engineering	\$94,630.00

Continued January 4, 1989

The cost is higher than the original estimate because of several reasons:

- Additional structural work is needed to strengthen the glue-laminated beam over which the air conditioning equipment is located.
- The re-roof is a single-ply, long-term roof that was not originally planned for. The original estimate was for patching the existing roof.
- Structural engineering was necessary.
- Electrical engineering and upgrading of the existing electrical service is necessary.

It was recommended that the City Council award the contract to Diede Construction for \$83,997.00.

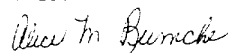
Total funding for the project, including inspection, contingencies, architectural fees, and structural engineering, will be approximately \$100,000.

Following discussion, on motion of Council Member Olson, Reid second, the City Council adopted Resolution no. 89-04 awarding the Contract for the Installation of Mechanical Equipment and New Roof on Cafeteria Building at Hutchins Street Square, 600 West Oak Street, to Diede Construction for \$83,997.00 and authorized appropriating the necessary funds for this project from the General Fund.

ADJOURNMENT

There being no further business to come before the City Council, Mayor Pinkerton adjourned the meeting at approximately 10:45 p.m.

ATTEST:

  
Alice M. Reimche  
City Clerk